THURSDAY, JANUARY 31, 1985

FOURTH LEGISLATIVE DAY

The House met at 9:00 a.m. and was called to order by Mr. Speaker pro tem Bivens.

The proceedings were opened with prayer by Reverend Harold Kelly, Hendersonville Bible Church, Hendersonville, Tennessee.

Representative Clark (Summer) led the House in the Pledge of Allegiance to the Flag.

The roll call was taken with the following results:

Representatives present were: Bell, Bewley, Bivens, Brewer, Buck, Burnett, Byrd, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Collier, Copeland, Covington, Crain, Cross, Curlee, Darnell, Davidson, Davis (Cocke), Davis (Gibson), Davis (Knox), DeBerry, DePriest, Dills, Dixon, Drew, Duer, Ellis, Frensley, Gafford, Gaia, Gill, Harrill, Hassell, Henry, Hillis, Hobbs, Hurley, Huskey, Ivy, Jared, Jones, Kent, Kernell, King, Kisber, Lawson, Love, May, McAfee, McCroskey, McNally, Miller, Montgomery, Moody, Moore (Shelby), Murphy, Murray, Naifeh, Nance, Peroulas, Phillips, Rhinehart, Ridgeway, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Stafford, Stallings, Starnes, Swann, Tankersley, Tanner, Turner (Hamilton), Turner, C. (Shelby), Turner, L. (Shelby), Ussery, Webb, West, Wheeler, Whitson, Williams, Winningham, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter--93.

The Speaker announced that Representative Napier was excused because of a business commitment.

The Speaker announced that Representative Bragg was excused because of illness.

The Speaker announced that Representative Percy was excused because of illness.

CONSENT CALENDAR

Senate Joint Resolution No. 9--Relative to memory, Walter A. Barret.

House Joint Resolution No. 3--Relative to congratulating Cathy Brown.

House Joint Resolution No. 4--Relative to congratulating Steve Richardson.

House Joint Resolution No. 5--Relative to congratulating Shannon Loveday.

House Joint Resolution No. 10--Relative to commending Polly Brown Buckner.

House Joint Resolution No. 11--Relative to congratulating Coach "Boots" Donnelly and MTSU football team.

House Joint Resolution No. 12--Relative to congratulating Susan Gendrich.

House Joint Resolution No. 13--Relative to memory, Felix Lamar Peebles.

House Joint Resolution No. 14--Relative to commending Tommy Martin.

House Joint Resolution No. 15--Relative to congratulating Charlotte Yource.

House Joint Resolution No. 21--Relative to congratulating Murfreesboro Oakland High School football team.

House Joint Resolution No. 22--Relative to memory, Dr . Oscar Cromwell Tidwell, Jr .

House Joint Resolution No. 23--Relative to honoring Chris Tibbott.

House Joint Resolution No. 24--Relative to honoring Mr. and Mrs. Clyde E. Greer, Diamond Wedding Anniversary.

House Joint Resolution No. 26--Relative to proclaiming Phyllis Wheatley YWCA Second Annual Prayer Day.

House Joint Resolution No. 16--Relative to congratulating MTSU Athletic Director Jimmy Earle.

House Joint Resolution No. 17--Relative to congratulating Dr. Kent Kyger.

House Joint Resolution No. 18--Relative to memory, Dr. Sidney P. Colowich.

House Joint Resolution No. 19--Relative to congratulating Buddy Killen.

House Joint Resolution No. 20--Relative to congratulating Ginger Caffey.

House Joint Resolution No. 27--Relative to Vanderbilt University Impact Symposium.

House Resolution No. 1--Relative to congratulating Ben H. Love.

Mr. Naifeh moved that all House Resolutions and House Joint Resolutions on the Consent Calendar be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes											93
Noes											

Representatives voting aye were: Bell, Bewley, Bivens, Brewer, Buck, Burnett, Byrd, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Collier, Copeland, Covington, Crain, Cross, Curlee, Darnell, Davidson, Davis (Cocke), Davis (Gibson), Davis (Knox), DeBerry, DePriest, Dills, Dixon, Drew, Duer, Ellis, Frensley, Gafford, Gaia, Gill, Harrill, Hassell, Henry, Hillis, Hobbs, Hurley, Huskey, Ivy, Jared, Jones, Kent, Kernell, King, Kisber, Lawson, Love, May, McAfee, McCroskey, McNally, Miller, Montgomery, Moody, Moore (Shelby), Murphy, Murray, Naifeh, Nance, Peroulas, Phillips, Rhinehart, Ridgeway, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Stafford, Stallings, Starnes, Swann, Tankersley, Tanner, Turner (Hamilton), Turner, C. (Shelby), Turner, L. (Shelby), Ussery, Webb, West, Wheeler, Whitson, Williams, Winningham, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter--93.

A motion to reconsider was tabled.

RESOLUTIONS LYING OVER

Senate Joint Resolution No. 15--Relative to approval, Oklahoma, Southern Regional Education Compact.

The Speaker referred Senate Joint Resolution No. 15 to the Committee on Education.

Senate Joint Resolution No. 28--Relative to joint convention, address, Thomas K. Turnage.

Mr. Naifeh moved that Senate Joint Resolution No. 28 be concurred in, which motion prevailed by the following vote:

Ayes	•	•	•	•	•	•								92
Noes	•	٠	•	•	•	•								0

Representatives voting aye were: Bell, Bewley, Bivens, Brewer, Buck, Burnett, Byrd, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Collier, Covington, Crain, Cross, Curlee, Darnell, Davidson, Davis (Cocke), Davis (Gibson), Davis (Knox), DeBerry, DePriest, Dills, Dixon, Drew, Duer, Ellis, Frensley, Gafford, Gaia, Gill, Harrill, Hassell, Henry, Hillis, Hobbs, Hurley, Huskey, Ivy, Jared, Jones, Kent, Kernell, King, Kisber, Lawson, Love, May, McAfee, McCroskey, McNally, Miller, Montgomery, Moody, Moore (Shelby), Murphy, Murray, Naifeh, Nance, Peroulas, Phillips, Rhinehart, Ridgeway, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Stafford, Stallings, Starnes, Swann, Tankersley, Tanner, Turner (Hamilton), Turner, C. (Shelby), Turner, L. (Shelby), Ussery, Webb, West, Wheeler, Whitson, Williams, Winningham, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter--92.

A motion to reconsider was tabled.

Mr. Yelton moved that the rules be suspended for the purpose of introducing and considering House Joint Resolution No. 34 out of order, which motion prevailed.

House Joint Resolution No. 34--Relative to extending reporting deadline, bingo study committee--By Yelton, Hurley and Montgomery.

Mr. Yelton moved that House Joint Resolution No. 34 be adopted, which motion prevailed by the following vote:

Ayes	•	•	•	•	•	•	•	•	•	•	•		•				91
Noes	٠	•	•	٠	٠	٠	٠	٠	•	•							0

Representatives voting aye were: Bell, Bewley, Brewer, Buck, Burnett, Byrd, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Collier, Copeland, Covington, Crain, Cross, Curlee, Darnell, Davidson, Davis (Cocke), Davis (Gibson), Davis (Knox), DeBerry, DePriest, Dills, Dixon, Drew, Duer, Ellis, Frensley, Gafford, Gaia, Gill, Harrill, Hassell, Henry, Hillis, Hobbs, Hurley, Huskey, Ivy, Jared, Jones, Kent, Kernell, King, Kisber, Lawson, Love, May, McAfee, McCroskey, McNally, Miller, Montgomery, Moody, Moore (Shelby), Murphy, Murray, Naifeh, Peroulas, Phillips, Rhinehart, Ridgeway, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Stafford, Stallings, Starnes, Swann, Tankersley, Tanner, Turner (Hamilton), Turner, C. (Shelby), Turner, L. (Shelby), Ussery, Webb, West, Wheeler, Whitson, Williams, Wimningham, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter--91.

A motion to reconsider was tabled.

SECOND ROLL CALL

A roll call was taken with the following results:

Representatives present were: Bell, Bewley, Bivens, Brewer, Buck, Burnett, Byrd, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Collier, Copeland, Covington, Crain, Cross, Curlee, Darnell, Davidson, Davis (Cocke), Davis (Gibson), Davis (Knox), DeBerry, DePriest, Dills, Dixon, Drew, Duer, Ellis, Frensley, Gafford, Gaia, Gill, Harrill, Hassell, Henry, Hillis, Hobbs, Hurley, Huskey, Ivy, Jared, Jones, Kent, Kernell, King, Kisber, Lawson, Love, May, McAfee, McCroskey, McNally, Miller, Montgomery, Moody, Moore (Shelby), Murphy, Murray, Naifeh, Nance, Peroulas, Phillips, Rhinehart, Ridgeway, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Stafford, Stallings, Starnes, Swann, Tankersley, Tanner, Turner (Hamilton), Turner, C. (Shelby), Turner, L. (Shelby), Ussery, Webb, West, Wheeler, Whitson, Williams, Winningham, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter--93.

INTRODUCTION OF RESOLUTIONS

House Resolution No. 5--Relative to confirming appointment, Mike Robertson--By Murphy, Naifeh, and Henry.

The Speaker referred House Resolution No. 5 to the Committee on Judiciary.

House Resolution No. 6--Relative to confirming appointment, Richard Rucker--By Murphy, Naifeh and Henry.

The Speaker referred House Resolution No. 6 to the Committee on Judiciary.

House Joint Resolution No. 30--Relative to urging Congress to support concept of mutual assured survival--By Wood.

The Speaker referred House Joint Resolution No. 30 to the Committee on General Welfare.

House Joint Resolution No. 31--Relative to commending Nathan Whitlock and the Riverdust Band--By Gill.

Under the rules, House Joint Resolution No. 31 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 32--Relative to congratulating Laughlin Yource family--By Bragg.

Under the rules, House Joint Resolution No. 32 was referred to the Committee on Calendar and Rules.

House Joint Resolution No. 33--Relative to continuing study, liability of school employees--By Dills.

The Speaker referred House Joint Resolution No. 33 to the Committee on Education.

INTRODUCTION OF BILLS

House Bill No. 201--To impose an income tax--By Drew.

Passed first consideration.

House Bill No. 202--To make certain provision, claim of debt, general sessions court--By Drew.

Passed first consideration.

House Bill No. 203--To create projects, alcohol, drug abuse prevention--By Drew.

Passed first consideration.

House Bill No. 204--To provide for installment payments to avoid garnishment--By Drew.

Passed first consideration.

House Bill No. 205--To regulate administration of certain Title XX funds--By Henry and Gill.

Passed first consideration.

House Bill No. 206-To provide for use of citations--By Drew, Huskey and Davis (Cocke).

Passed first consideration.

House Bill No. 207--To regulate professional bondsmen--By Drew, Huskey and Davis (Cocke).

Passed first consideration.

House Bill No. 208--To regulate fees, professional bondsmen--By Severance, Huskey, Davis (Cocke) and Wheeler.

Passed first consideration.

House Bill No. 209--To regulate registration, radiation machines--By Gill and Moore (Shelby).

Passed first consideration.

House Bill No. 210--To provide for regulation of private for hire vehicles--By King and Turner, L. (Shelby).

Passed first consideration.

House Bill No. 211--To define offense of aggravated assault--By King, Byrd and Turner, L. (Shelby).

Passed first consideration.

House Bill No. 212--To make certain provisions, municipal bonds $\operatorname{\mathsf{--By}}$ Byrd.

Passed first consideration.

House Bill No. 213--To regulate certain medical examinations--By Bivens, McNally, Clark (Sumner), Rhinehart, Duer, Starnes, DeBerry, Huskey, Montgomery, Lawson, Robinson (Washington), Hassell, Burnett, Wheeler and Davis (Gibson).

Passed first consideration.

House Bill No. 214--To exempt certain fairs from amusement tax --By Work, Bell, Rhinehart, Davis (Gibson), Dills, Hillis, Ivy, Ridgeway, Collier, Jared, DePriest, Wheeler, Naifeh, Davidson, Kent, Tanner, Murray, Duer, Gafford and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 215--To amend Section 49-6-3001, Code--By Work and Davidson.

Passed first consideration.

House Bill No. 216 -- To amend Charter, Burns -- By Work.

Passed first consideration.

House Bill No. 217--To provide for Social Security, certain public employees--By Rhinehart.

Passed first consideration.

House Bill No. 218--To make certain provisions, Consolidated Retirement System--By Rhinehart and Tanner.

Passed first consideration.

House Bill No. 219--To regulate death benefits, certain members of retirement system--By Rhinehart.

Passed first consideration.

House Bill No. 220--To define jurisdiction, wildlife resources officers--By Naifeh, Crain, Stallings and Dills.

Passed first consideration.

House Bill No. 221--To change administration, Wildlife Resources--By Naifeh, Crain, Stallings and Dills.

Passed first consideration.

House Bill No. 222--To create wildlife resources commission--By Naifeh, Crain, Stallings and Dills.

Passed first consideration.

House Bill No. 223--To amend Retailers' Sales Tax Act--By Huskey, Davis (Cocke), Moody and Lawson.

Passed first consideration.

House Bill No. 224--To provide for classification of certain land, tax purposes--By Cobb.

Passed first consideration.

House Bill No. 225--To provide for reappraisal, locally assessed property--By Bragg and Cobb.

Passed first consideration.

House Bill No. 226--To make certain provisions, income taxation --By Bragg and Cobb.

Passed first consideration.

House Bill No. 227--To make certain provisions, sales and use taxes--By Bragg and Cobb.

Passed first consideration.

House Bill No. 228--To regulate taxation, leased personal property--By Cobb and Bragg.

Passed first consideration.

House Bill No. 229--To amend or repeal various taxes under Title 67, Code--By Bragg and Cobb.

Passed first consideration.

House Bill No. 230--To regulate sales and use taxes--By Bragg and Cobb.

Passed first consideration.

House Bill No. 231--To regulate sales and use taxes--By Bragg and Cobb.

Passed first consideration.

House Bill No. 232--To enact Tax Reform Act, 1985--By Bragg and Cobb.

Passed first consideration.

House Bill No. 233--To enact Tax Restructure Act, 1985--By Bragg and Cobb.

Passed first consideration.

House Bill No. 234--To enact Tax Restructure Act, 1985--By Bragg and Cobb.

Passed first consideration.

House Bill No. 235--To enact Single Business Tax Act, 1985--By Bragg and Cobb.

Passed first consideration.

House Bill No. 236--To require safety equipment, motor driven cycles--By Chiles.

Passed first consideration.

House Bill No. 237--To levy income tax, stocks and bonds--By Wix.

Passed first consideration.

House Bill No. 238--To create special school, juvenile correction--By Love and Shirley.

Passed first consideration.

House Bill No. 239--To create alternative schools, expelled students--By Love, Kisber and Shirley.

Passed first consideration.

House Bill No. 240--To require marking, certain highways--By Love and Shirley.

Passed first consideration.

House Bill No. 241--To allow new building construction, certain areas--By Love.

Passed first consideration.

House Bill No. 242--To authorize purchase, fire fighting equipment--By Cross, Wheeler, Ivy, Winningham and Tankersley.

Passed first consideration.

House Bill No. 243--To allow continuation, group insurance, state employees--By Clark (Sumner).

Passed first consideration.

House Bill No. 244--To direct erection, interstate highway signs--By Clark (Sumner).

Passed first consideration.

House Bill No. 245--To allow retirement benefits, TCRS members --By Clark (Sumner).

Passed first consideration.

House Bill No. 246---To expand definition, premier type tourist resort--By Murphy.

Passed first consideration.

House Bill No. 247-To amend exemptions to sales and use tax, amusements--By McNally.

Passed first consideration.

House Bill No. 248--To alter tax on income from stocks and bonds--By McNally and Rhinehart.

Passed first consideration.

House Bill No. 249--To alter penalty for fraudulently obtaining benefits--By McNally.

Passed first consideration.

House Bill No. 250--To provide for certain hunting, fishing licenses--By McNally.

Passed first consideration.

House Bill No. 251--To make certain provision, license plates, disabled veterans--By McNally.

Passed first consideration.

House Bill No. 252--To amend Tennessee Consignment of Art Act--By McNally.

Passed first consideration.

House Bill No. 253--To enact Prompt Pay Act of 1985--By Kisber, Tanner, Byrd, Darnell, Stallings, Cobb, Murphy, Wheeler, Dill, Naifeh, Dixon, Stafford, Jones, Bivens, Work, Moore (Sullivan), Murray, Garrett, Ridgeway, Hobbs, Curlee, Ivy and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 254--To amend description of Boys Mountain Nature Preserve--By Hurley, Montgomery, Robinson (Washington), McCroskey, Moore (Sullivan), Yelton, Whitson and Bewley.

Passed first consideration.

House Bill No. 255--To provide for development, Cloverbottom Mansion--By West and Ellis.

Passed first consideration.

House Bill No. 256--To redifine "Savings Institution,"--By Jared and Tanner.

Passed first consideration.

House Bill No. 257--To provide for doctrine of comparative negligence--By Jared and Burnett.

Passed first consideration.

House Bill No. 258--To alter statute of limitations, injury claims--By Jared and Burnett.

Passed first consideration.

House Bill No. 259--To make certain provision, savings and loans, banks--By Jared, Tanner and Dixon.

Passed first consideration.

House Bill No. 260--To make certain provision, employment security law--By Buck.

Passed first consideration.

House Bill No. 261--To make certain provision, elections, utility districts--By Buck.

Passed first consideration.

House Bill No. 262--To exempt certain organizations from filing fees--By Buck.

Passed first consideration.

House Bill No. 263--To expand authorization of outdoor advertising--By Buck.

Passed first consideration.

House Bill No. 264--To amend powers, chief officers, county highway department--By Buck.

Passed first consideration.

House Bill No. 265--To establish nepotism policy, Haywood County--By Crain.

Passed first consideration.

House Bill No. 266--To increase penalty, escape from penitentiary--By Crain.

Passed first consideration.

House Bill No. 267--To provide for damages, negligent cutting of trees--By Crain.

Passed first consideration.

House Bill No. 268--To make certain provisions, athletic trainers--By Gill.

Passed first consideration.

House Bill No. 269--To exempt certain dues, amusement tax--By Scruggs.

Passed first consideration.

House Bill No. 270--To enact joint custody preference, minor children--By Scruggs and Clark (Sumner).

Passed first consideration.

House Bill No. 271--To enact Tennessee Time Share Act, 1981--By Duer.

Passed first consideration.

House Bill No. 272--To enact Membership Campaining Act, 1985--By Duer.

Passed first consideration.

House Bill No. 273--To regulate trapping and trapping devices--By Jared, Moore (Shelby) and Bell.

Passed first consideration.

House Bill No. 274--To make certain provisions, school personnel--By Davis (Cocke), Huskey, Work, Winningham and Starnes.

Passed first consideration.

House Bill No. 275--To abolish juvenile court jurisdiction, certain criminal offenses--By Scruggs and Drew.

Passed first consideration.

House Bill No. 276--To regulate income from investment of highway funds--By DePriest, Robinson (Davidson), Rhinehart, Work, Davis (Gibson), Wheeler, Dills, Crain, Wix, Turner, C. (Shelby), Tanner, Stallings, Love, Covington, Pruitt, Miller, King, Robinson (Washington), Severance, Hillis, Ellis, Buck, Harrill, Moore (Sullivan), Bivens, Yelton, Byrd, Davidson, Murphy, Jared, Darnell, Frensley, McNally, Brewer, Kent, Clark (Sumner), Hurley, Swann, Dixon, Burnett, Drew, Kernell, Naifeh, Ridgeway, Gaia, Kisber, Starnes, Turner (Hamilton), Peroulas, Jones, Turner, L. (Shelby), DeBerry, Cross, Winningham, Clark (Davidson), West, Garrett, Gill, Murray, Gafford, Ivy and Hobbs.

Passed first consideration.

House Bill No. 277--To regulate sale of alcoholic beverages, commercial boats--By Robinson (Hamilton), DeBerry, Drew and Love.

Passed first consideration.

House Bill No. 278--To authorize sale of bonds, arena at Memphis State--By Moore (Shelby), Byrd, Gill, Kisber, Stallings, Naifeh, Tanner, Kent, Turner, C. (Shelby), Hassell, DeBerry, Shirley, Nance, Dills, Kernell, King and Gaia.

Passed first consideration.

House Bill No. 279--To regulate ginseng dealers--By Rhinehart.

Passed first consideration.

House Bill No. 280--To regulate residential tenant cable television service--By Rhinehart.

Passed first consideration.

House Bill No. 281--To amend Section 8-50-101, Code--By Dills.

Passed first consideration.

House Bill No. 282--To make provisions, custody of certain children--By Dills.

Passed first consideration.

House Bill No. 283--To repeal certain exemptions, sale and use of alcoholic beverages--By Dills, McNally and Huskey.

Passed first consideration.

House Bill No. 284--To provide for incarceration of certain inmates, local facilities--By Dills and Mr. Speaker McWherter.

Passed first consideration.

House Bill No. 285 -- To enact Coal Surface Mining Law -- By Murphy.

Passed first consideration.

House Bill No. 286--To provide for payment of claims against state--By Murphy.

Passed first consideration.

House Bill No. 287--To make certain provisions, Board of Claims $\operatorname{\mathsf{--By}}$ Murphy.

Passed first consideration.

House Bill No. 288--To extend authorization, certain multi-family housing projects--By Murphy.

Passed first consideration.

House Bill No. 289--To enact Child Support Enforcement Act--By Murphy.

Passed first consideration.

House Bill No. 290--To provide for transfer of sick leave, teachers--By Bivens.

Passed first consideration.

House Bill No. 291--To authorize sale of bonds, library at Tennessee Tech--By Rhinehart, Bivens, Jared, Hillis, Byrd, Burnett, Yelton, Kernell, Naifeh, Winningham, Work, Kisber, Tanner, Robinson (Davidson), Gill, Wheeler, Murphy, Brewer, Stallings.

Passed first consideration.

House Bill No. 292--To regulate issuance of capitol outlay notes, local governments--By Rhinehart.

Passed first consideration.

House Bill No. 293--To provide filing deadline, applications for tax exemptions--By Rhinehart.

Passed first consideration.

House Bill No. 294--To provide for repayment, erroneous tax relief overpayments--By Rhinehart.

Passed first consideration.

House Bill No. 295--To regulate taxation of income, certain stocks--By Rhinehart.

Passed first consideration.

House Bill No. 296--To amend Section 7-82-501, Code--By Rhinehart.

Passed first consideration.

House Bill No. 297--To amend Soil Conservation District Law--By Napier and Webb.

Passed first consideration.

House Bill No. 298--To make certain provisions, alcoholic beverages--By Kent and Chiles.

Passed first consideration.

House Bill No. 299--To make certain provisions, elevators and escalators--By Williams and Clark (Sumner).

Passed first consideration.

House Bill No. 300--To amend Tennessee Securities Act--By Scruggs and McNally.

Passed first consideration.

House Bill No. 301--To regulate takeover offers for certain equity securities--By Williams.

Passed first consideration.

House Bill No. 302--To extend Medicare eligibility requirements --By Montgomery, McNally, Peroulas, Clark (Sumner), Wood, Swann, Lawson, Hassell, Davis (Cocke), Williams and McAfee.

Passed first consideration.

House Bill No. 303--To regulate production of oil and gas--By Duer and Montgomery.

Passed first consideration.

House Bill No. 304--To regulate housing of certain criminals--By Wood, Webb, Peroulas and Hassell.

Passed first consideration.

House Bill No. 305--To make certain provisions, medical furloughs, inmates--By McNally and Wood.

Passed first consideration.

House Bill No. 306--To further define police powers of correctional officers--By Wood, Duer and Williams.

Passed first consideration.

House Bill No. 307--To amend Employment Security Law--By Clark (Sumner) and Scruggs.

Passed first consideration.

House Bill No. 308--To make certain provisions, unemployment compensation--By Clark (Sumner) and Scruggs.

Passed first consideration.

House Bill No. 309--To make certain provisions, unemployment compensation--By Clark (Sumner), Scruggs and Williams.

Passed first consideration.

House Bill No. 310--To make certain provisions, unemployment insurance--By Clark (Sumner), Scruggs and Williams.

Passed first consideration.

House Bill No. 311--To make certain provisions, unemployment compensation--By Clark (Sumner) and Scruggs.

Passed first consideration.

House Bill No. 312--To establish dental insurance plan--By McNally and Clark (Sumner).

Passed first consideration.

House Bill No. 313--To regulate issuance, certain money orders --By Webb and Chiles.

Passed first consideration.

House Bill No. 314--To amend Section 45-2-1102, Code--By Webb and McNally.

Passed first consideration.

House Bill No. 315--To require certain genetic testing, newborn infants--By Montgomery and Duer.

Passed first consideration.

House Bill No. 316--To make certain provisions, nurse practitioners--By McNally and Robinson (Washington).

Passed first consideration.

House Bill No. 317--To amend Sections 68-14-101 through 68-14-121, Code--By Chiles, Webb and Peroulas.

Passed first consideration.

House Bill No. 318--To create County and District Boards of Health--By Montomery and Duer.

Passed first consideration.

House Bill No. 319--To regulate Vocational Training Centers--By Duer and Montgomery.

Passed first consideration.

House Bill No. 320--To amend Section 14-27-114, Code--By Duer, Montgomery, McNally, Peroulas, Clark (Sumner), Wood, Swann, Lawson, Davis (Cocke) and McAfee.

Passed first consideration.

House Bill No. 321--To provide for Interstate Compact on Adoption and Medical Assistance--By Montgomery, Robinson (Washington) and Peroulas.

Passed first consideration.

House Bill No. 322--To make certain provisions, services for mentally ill--By Duer and Montgomery.

Passed first consideration.

House Bill No. 323--To change "State Guard" to "Defense Force" --By Tanner, Duer and Webb.

Passed first consideration.

House Bill No. 324--To change requirement, reinstatement of sick leave--By Scruggs, Duer, Clark (Sumner), McNally, Kent, Peroulas, Wood, Swann, Lawson, Hassell, Davis (Cocke), Rhinehart and McAfee.

Passed first consideration.

House Bill No. 325--To include part-time employees, longevity program--By Webb, Duer, McNally, Clark (Sumner), Peroulas, Wood, Swann, Lawson, Hassell, Davis (Cocke), Rhinehart and McAfee.

Passed first consideration.

House Bill No. 326--To impose fee for reinstatment of corporate charters--By Duer and McNally.

Passed first consideration.

House Bill No. 327--To provide for presumption of ownership, highway right-of-way--By Clark (Sumner) and McNally.

Passed first consideration.

HOUSE BILLS ON SECOND CONSIDERATION

House Bill No. 56--To create Bill of Rights, victims and witnesses.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 57--To make certain provisions, board of medical examiners.

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 58--To provide for tort immunity, certain state employees.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 59--To provide for state assistance, regional development plans.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 60--To grant contempt powers to general sessions courts.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 61--To regulate fees, Fraud and Economic Crimes Prosecution Act.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 62--To provide penalty for traffic violation, speeding.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 63--To authorize Sumner County hotel-motel tax.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 64--To make certain provisions, ownership of acreage.

Passed second consideration and referred to Committee on Agriculture.

House Bill No. 65--To specify liability in emergency vehicle accidents.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 66--To specify duties, Higher Education Commission.

Passed second consideration and referred to Committee on Education.

House Bill No. 67--To enact the "Tennessee Natural Death Act".

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 68--To increase fine for prostitution.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 69--To amend Charter, Smyrna.

Passed second consideration and held without reference.

House Bill No. 70--To regulate sale of red fox hides.

Passed second consideration and referred to Committee on Conservation and Environment.

House Bill No. 71--To make certain provisions, state senatorial districts.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 72--To allow auctioneers court costs and attorney fees.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 73--To make certain provisions, state representative districts.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 74--To provide for father's name on birth certificate.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 75--To allow compensation for general assembly members, indigent legal work.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 76--To amend Workers' Compensation Law.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 77--To amend Employment Security Law.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 78--To enact "Respiratory Care Practitioner Act of 1985".

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 79--To provide for regulation, establishments licensed to serve alcohol.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 80--To regulate cable television.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 81--To provide for certification, professional counselors and therapists.

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 82--To create advisory council, registration of certain contractors.

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 83--To make certain provision, credit life insurance.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 84--To adjust standard of need, AFDC grants.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 85--To provide compensation, fireman or police injured on duty.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 86--To provide certain services to severely disabled persons.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 87--To provide for trial by jury, certain misdemeanor cases.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 88--To specify sources, names for jury lists.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 89--To regulate registration of motor vehicles.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 90--To make certain provisions, auto liability insurance.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 91--To regulate polygraph examinations.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 92--To make certain provisions, executors.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 93--To enact Tax Equity Act of 1985.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 94--To require certain agencies to make children at risk evaluations.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 95--To change representative districts 83 and 93.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 96--To regulate certain municipal elections.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 97--To provide for certain curriculum, public schools.

Passed second consideration and referred to Committee on Education.

House Bill No. 98--To regulate bingo and raffles.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 99--To exempt certain elderly persons, tax on income from stocks.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 100--To make certain provision, property tax exemption.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 101--To make certain provision, government operations committee.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 102--To provide for sale, general obligation bonds.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 103--To provide for issuance and sale, school bonds.

Passed second consideration and referred to Committee on Education.

House Bill No. 104--To regulate sale of beer, certain municipalities.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 105--To regulate use of blue flashing emergency lights.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 106--To regulate uniforms, private security guards.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 107--To make certain conveyances subject to forfeiture.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 108--To regulate issuance of trip lease permits.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 109--To regulate safety, certain motor vehicle.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 110--To regulate branch banks.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 111--To waive certain bank merger provisions.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 112--To prescribe safety rules, trains and hazardous materials.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 113--To provide for jury pay, railroad employees.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 114--To provide certain license tags, retired judges.

 $\,^{\rm h}$ Passed second consideration and referred to Committee on Transportation.

House Bill No. 115 -- To provide training, court reporters.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 116--To create a state law library commission.

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 117--To provide for General Assembly approval, supreme court rules.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 118--To regulate juvenile detention facilities.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 119--To amend registration requirements, land surveyors.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 120--To make certain provisions, land surveying violations.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 121--To create board to license bartenders.

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 122--To provide for certain veteran cemetaries.

Passed second consideration and referred to Committee on Government Operations for review only.

House Bill No. 123--To prohibit certain acts unfair to consumers.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 124--To repeal Chapter 150, Private Acts, 1981.

Passed second consideration and held without reference.

House Bill No. 125--To empower Benton County, terminate certain hospitals.

Passed second consideration and held without reference.

House Bill No. 126--To provide for hotel-motel tax, Decatur County.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 127--To make certain provision, licensing auctioneers.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 128--To regulate taxing, alcoholic beverages.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 129--To provide agricultural positions, Tennessee Tech.

Passed second consideration and referred to Committee on Education.

House Bill No. 130--To make certain exemptions, outdoor advertising regulations.

Passed second consideration and referred to Committee on Conservation and Environment.

House Bill No. 131--To exempt certain county, firework sale regulations.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 132--To provide for funding police pay supplement.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 133--To levy tax, certain insurance premiums.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 134--To provide for citations in lieu of arrest, certain traffic violators.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 135--To regulate forfeiture, certain vehicles.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 136--To make certain provisions, garnishment of wages.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 137--To provide for use of citations, certain arrested persons.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 138--To regulate special purpose motor vehicle registration plates.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 139--To exempt certain realty transfers, excise taxes.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 140--To regulate management, certain county funds.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 141--To provide for mutual assistance, fire fighting.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 142--To make certain provisions, jailers' fees.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 143--To make certain provisions, bonds issued by counties.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 144--To limit prize money, bingo.

Passed second consideration and referred to Committee on Commerce.

House Bill No. 145--To make certain provisions, soil erosion.

Passed second consideration and referred to Committee on Conservation and Environment.

House Bill No. 146--To continue board of claims.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 147--To continue child welfare licensing board of review.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 148--To continue state board of equalization.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 149--To continue board of directors, Sequatchie Valley planning agency.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 150--To continue Goodwyn Institute Commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 151--To continue southern interstate nuclear compact.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 152--To terminate U.T. Energy Institute.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 153--To continue civil service commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 154--To continue insurance committee.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 155--To continue state funding board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 156--To continue Chickasaw Basin Authority.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 157--To continue commission on aging.

 $\ensuremath{\text{Passed}}$ second consideration and referred to Committee on Government Operations.

House Bill No. 158--To continue department of human services.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 159--To continue local government planning advisory committee.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 160--To continue standards committee.

 $\ensuremath{\text{Passed}}$ second consideration and referred to Committee on Government Operations.

House Bill No. 161--To continue state advisory commission on aging.

 $\ensuremath{\text{Passed}}$ second consideration and referred to Committee on Government Operations.

House Bill No. 162--To continue defense council commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 163--To continue building finance commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 164--To continue state election commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 165--To terminate licensing board for the healing arts.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 166--To terminate southern growth policies board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 167--To make certain provision, industrial development authority.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 168--To terminate industrial and agricultural development commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 169--To make provisions, Tellico reservoir development agency.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 170--To continue school bond authority.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 171--To continue department of economic and community development.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 172--To continue department of employment security.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 173--To terminate farm placement advisory council.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 174--To terminate community development board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 175--To continue forms reduction and management appeals board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 176--To continue the appeals tribunal.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 177--To continue council on pensions and retirement.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 178--To make provisions, human services advisory committees.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 179--To continue Beech River watershed authority board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 180--To continue southern interstate nuclear board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 181--To continue public records commission.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 182--To continue U.T. Board of Trustees.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 183--To continue state building commission.

House Bill No. 184--To continue medical advisory committee for radiological health.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 185--To continue Upper Duck River development agency board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 186--To make provisions, national guard medical examination board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 187--To continue compact on placement of children.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 188--To make provisions, civil defense and disaster compact.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 189--To continue department of finance and administration.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 190--To continue Elk River development agency board.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 191--To continue employment security advisory council.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 192--To continue department of personnel.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 193--To make certain provisions, public finances.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 194--To allow certain employees to participate in retirement system.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 195--To make provisions, Criminal Injuries Compensation Program.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 196--To regulate funds, Chairs of Excellence Program.

Passed second consideration and referred to Committee on Education.

House Bill No. 197--To regulate Criminal Injuries Compensation Fund.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 198--To make certain provisions, housing loans.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 199--To regulate issuance of gun permits.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 200--To enact Job Opportunity and Benefits Program.

Passed second consideration and referred to Committee on Government Operations for review only.

ENGROSSED BILLS

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have carefully examined House Joint Resolution No. 34; and find same correctly engrossed and ready for transmission to the Senate.

MARILYN EVELYN HAND, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to return to the House, House Joint Resolutions Nos.:

8--Relative to honoring Milt Servais upon retirement;

29--Relative to honoring John Connelly; both concurred in by the Senate.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolutions Nos.:

16--Relative to continuing urban and rural transportation systems;

29--Relative to famine in Africa; adopted for concurrence.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution No. 19; for the signature of the Speaker.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

SIGNED

The Speaker announced that he had signed the following: Senate Joint Resolution No. 19.

SPONSORS ADDED

Without objection, the rules were suspended to allow the following members to add their names as sponsors to the bills as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 59--Ivv

House Joint Resolutions Nos. 10, 11, 12, 13, 14, 15, 16--Murray (prime)

REPORT OF COMMITTEE ON CALENDAR AND RULES

CONSENT CALENDAR

MR. SPEAKER: The officers of your Committee on Calendar and Rules beg leave to report that we have met and set the following resolutions on the Consent Calendar for Monday, February 4, 1985: House Joint Resolutions Nos. 31 and 32.

GILL, Chairman.

REPORT OF COMMITTEE ON CALENDAR AND RULES

MR. SPEAKER: Your Committee on Calendar and Rules begs leave to report that we have met and set the following bills on the Calendar for Monday, February 4, 1985: House Bills Nos. 16 and 5.

GILL, Chairman.

ENGROSSED BILLS

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have carefully examined House Joint Resolutions Nos. 3, 4, 5, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26 and 27; and find same correctly engrossed and ready for transmission to the Senate.

MARILYN EVELYN HAND, Chief Engrossing Clerk.

Mr. Naifeh moved that the House recess for the purpose of meeting with the Senate in Joint Convention, and further moved that at the conclusion of the joint convention, the House adjourn until 4:30 p.m. on Monday, February 4, 1985, which motion prevailed.

IN JOINT CONVENTION

The hour having arrived, set by Senate Joint Resolution No. 19 --Relative to Joint Convention, Governor's Budget Message, the Senate met with the House in Joint Convention.

The Joint Convention was called to order by Mr. Speaker Wilder, President of the Joint Convention.

On motion of Senator Hamilton, the roll call of the Senate was dispensed with.

On motion of Representative Naifeh, the roll call of the House was dispensed with.

Thereupon, the Clerk of the Senate read Senate Joint Resolution No. 19 authorizing the Joint Convention.

Representative Naifeh moved that the President appoint a committee composed of six members from the Senate and six members from the House to notify the Governor that the Joint Convention was in session and awaiting his arrival, which motion prevailed.

Mr. President Wilder appointed the following committee to notify the Governor: Senators Cooper, Elkins, Ford, Lashlee, Person and Richardson; Representatives Bewley, Copeland, Davidson, DeBerry, Webb and Henry.

Representative Henry will serve as Chairman of this Committee.

The Joint Convention recessed pending the arrival of the Honorable Lamar Alexander, Governor of the State of Tennessee.

The Joint Convention was called to order by Mr. President Wilder.

On motion, the roll calls of the House and Senate were dispensed with.

Representative Henry announced that the Governor was at the entrance of the House.

The Committee escorted the Honorable Lamar Alexander, Governor of the State of Tennessee, to the Clerk's rostrum where he delivered the following budget message:

Lieutenant Governor Wilder, Speaker McWherter, distinguished members of the 94th General Assembly:

Thank you for the invitation to address you.

It is hard to believe that this is my seventh budget message to you.

I especially look forward to it this year.

This \$5.6 billion budget is "Chapter Two" in the Three-Year Plan that set Tennessee on a new course a year ago. With that plan, you have made fundamental changes and invested important new dollars in the future for better schools, for clean water, for healthy children and for jobs development.

The programs you began last year have already proved to be among the most effective state programs in the nation.

The taxes that you authorized to pay for them are still among the lowest state taxes in the nation.

This budget is my proposal for paying the state's bills. But it is not the final word and never has been.

You usually make a good many improvements to my budget. The process has worked well. Your last six budgets have headed the state in the right direction, and the budgets have always been balanced.

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The budget document has been delivered to you.

It is in a familiar form. In fact, we hope it is even a little more readable this year than it was last year.

I will confine my remarks to the most important themes in the budget.

There are ten of those.

ONE: WE WILL NEED ABOUT \$2.6 BILLION IN PERMANENT GENERAL FUND REVENUES TO BALANCE THE BUDGET.

There are a lot of technical ways to balance the budget. Some Legislatures have done it with smoke. Some do it with mirrors.

The most obvious temptation is to spend windfall money that is only going to be here one time as if it were going to be here forever.

Some Legislatures have started programs that they did not fund. As a result, over the past ten years, you have had to solve funding problems for vocational and special education and a retirement fund liability that previous Legislatures didn't plan for as well as they might have.

But your record over the past six years in this respect is nearly perfect.

While we have worked together, I can't remember a new program that you have started without providing a way to pay for it.

You have increased the "rainy day fund" to \$50 million.

You have reduced the state's debt.

You have helped make sure that we continue to be one of only twelve states with a Triple-A bond rating.

We have worked together to cut the number of state employees.

But, most important, I don't remember one time in those six years when the Legislature has succumbed to the temptation to spend one-time money for operating funds, has taken a one-year windfall and set up a permanent program. You deserve credit for that policy.

So, the most important thing I can say to you today is this: I strongly urge you to continue that policy. After you review the

state's needs as I have, I believe you will want to spend about \$2.6 billion next year in the General Fund. Therefore, unless you plan to repeal some programs in the following year, you will also want to establish a permanent revenue base now so that we can plan for and pay for those programs in future years.

TWO: THERE IS \$230.7 MILLION IN "NEW MONEY" AVAILABLE FOR 1985-86.

Almost all of that money -- about \$200 million of the \$230 million -- will come from new revenues.

It is never easy to guess so far ahead what our tax structure will produce, in this case between next July 1 and June 30, 1986.

To do that we make a lot of assumptions. Commissioners McCullough and Jackson will be glad to discuss them with you at your convenience.

The most important of these assumptions is that we expect sales tax revenue to increase at a 7 percent rate during the new budget year. That is important because the sales tax produces two out of three of our State General Fund dollars.

Sales tax collections have increased faster than that this year, at an 11 percent rate. Over the past six years the increase has been as low as 4.2 percent and as high as 12.9 percent.

I would call our 7 percent estimate "moderate". It is not the most conservative estimate; nor is it the most liberal. It is prudent.

Economists who have advised us say personal income growth will produce a sales tax increase of 7 percent for <u>calendar year</u> 1985.

I would be surprised if either Finance Committee is comfortable with estimates much higher than $7\ 1/2$ or 8 percent, which is moving toward the liberal side of the scale.

A rule of thumb is that a one percent difference -- say, between a 7 percent and an 8 percent estimate -- is only about \$17 million.

Now I mentioned that \$200 million of the \$230 million in new money comes from revenue collections. Most of the other \$30 million is available because you planned ahead and saved money last year as a part of the Three-Year Budget Plan. You spent then \$24 million in cash for needed one-time educational improvements, such as buying 5,000 Apple II-E computers, enough so that today there is one for every 30 seventh and eighth graders, and making some improvements on our university campuses. That \$24 million is now available to be added to next year's operating budget.

THREE: LAST YEAR'S THREE-YEAR BUDGET SET THE DIRECTION FOR THE STATE'S FUTURE.

I understand very well that the Legislature makes decisions yearby-year, and that one Legislature cannot obligate the next one.

But, at the beginning of my new term, in 1983, I thought it was important to focus our money and energy on the few major efforts that would make the most difference for the future of people in this state.

Therefore, I recommended a four-year budget plan that focused on:

- * a Better Schools Program that would help Tennessee schools be among the best in the nation;
- * a 20-year program to assure Tennesseans an adequate and safe supply of clean water;
- * a program to extend to every county pre-natal care and medical assistance so that our children can grow up healthy;
- * and a variety of programs to help develop new and better-paying jobs for Tennesseans.

None of these offered a quick fix. They each proposed to make fundamental, long-term changes that would help make Tennessee an even better place to live. It made sense also to think about how to pay for them for at least four years.

I did not want to leave the next governor and Legislature with programs that they couldn't pay for.

The Better Schools and Clean Water programs I proposed were based heavily on months of work by select committees of the Legislature. Still, you did not adopt the four-year plan that I proposed in 1983. You worked on it even more for 18 months, improved it, then adopted it. I think it is fair to say that you planned carefully to make sure the state would have the money necessary to pay for the programs outlined by the Three-Year Budget.

The most important thing I can say about your decision to adopt long-term programs based upon the Three-Year Budget last year is this: If our present tax structure were to stay in place and if the programs are funded at about the levels recommended in the Three-Year Budget, there should not be a need for a general tax increase during the remainder of either my term or the next governor's term.

FOUR: ALMOST ALL THE NEW MONEY GOES TO PAY FOR PROGRAMS IN THE THREE-YEAR BUDGET; THERE IS ONLY \$18 MILLION LEFT FOR ALL OTHER IMPROVEMENTS.

The Three-Year Budget set a course for the future. And the programs that you began last year, as planned, absorb almost all of the new money generated for next year.

Let me outline where the 230 million new dollars go.

Salary and benefit increases for state employees, teachers and for university personnel cost \$100 million.

The Three-Year Plan, as amended, included a 10 percent increase across-the-board for all employees last year -- which you approved -- and recommended a 5 percent increase both for this year and for next year.

You also approved last year a Career Ladder for teachers.

In a couple of years, the best Tennessee teachers who take advantage of a 12-month contract will be among the best paid teachers in America.

The first step of the career ladder included another \$1,000 this year for every teacher who reaches Career Level I. Almost 40,000 of 41,500 eligible Tennessee teachers -- 95 percent of them -- have applied for Level I.

The first checks were mailed to successful Career Level I teachers late last week. As a result, almost all tenured Tennessee teachers will receive an increase of 17 percent in the state part of their salaries for this year.

You also approved the beginning of a Job Equalization program for state employees. That provides important salary adjustments in addition to the 10 percent pay increase.

And there was more money for higher education that permitted pay raises, in many cases, above 10 percent.

In thinking about salaries for teachers and university personnel, it is important to remember this: over the past two years, state spending for kindergarten through the twelfth-grade has increased faster than in any other state in the nation but one, and state spending for higher education has increased faster here than in any other state but two. More than 80 percent of the money spent on education goes to pay someone's salary.

I believe this pay policy is fair to some very important people who work hard and well for Tennessee: our employees.

Out of the \$230 million in "new money", there is \$20 million more for better schools.

This is in addition to the salary money. It will begin paying for Levels II and III of the Career Ladder. It will fund the second year of the program to put teacher aides into the classrooms in the early grades. It will hire more teachers to help children meet the new math and science requirements in high school.

The money also goes to make another increase in the state share of funding for textbooks, instructional supplies, transportation, maintenance and operation.

There are 10 1/2 million new dollars for the higher education formula. This includes the development of college preparation courses for the large number of students who graduate from high school but who simply aren't prepared for community college or university work. There is \$1 million for post-secondary schools, almost all of which goes for new equipment at the 27 area vocational schools.

The Tennessee Higher Education Commission, after looking at our needs, recommended that we needed 50 million new dollars for higher education this year. I can only recommend \$18 million.

The Clean Water Program that you began last year at a \$17 million annual level goes up to \$18.5 million largely because I have added \$1 million for soil erosion to help slow down the devastation of our cropland in West Tennessee. Especially because of improved tillage practices, our farmers have reduced erosion from 14 to 9.5 tons of soil lost per acre per year, but we must work hard to reduce it further.

There are 2 1/2 million new dollars for the Healthy Children Program which you have funded generously to serve high-risk infants and establish needed community programs.

The Jobs Development Program is within \$3.2 million of the targeted figures, with all of the new money going to promote tourism - an enterprise that accounts for \$3 billion and 76,000 jobs in this state every year.

There are only \$18 million in new program improvements that were not in the Three-Year Budget. It was very hard for us to limit new spending for these programs. When you review them, I think you will see why.

For example, there is \$1.2 million to increase foster care rates for children, and \$800,000 to continue our community mental health center initiative. There is another \$800,000 to help combat child abuse by increasing our staff in this area by one-third. We hope to increase the staff even further by reallocating personnel.

Finally, I've set aside \$25 million of the \$230 million of new money for "tax reform". This should provide a useful measure of flexibility as we move together toward the conclusion of our tax reform discussions.

FIVE: WE BELIEVE THIS YEAR'S BUDGET SURPLUS WILL BE ABOUT \$74 MILLION.

A \$74 million surplus is a lot of money but it only represents an

error of about 3 percent on our entire \$2.4 billion General Fund budget.

The money will be available to allocate as the Legislature pleases: some obvious options include again spending on needed one-time projects, reducing the state debt, or building up the "rainy day fund".

These surplus dollars are one-time dollars. Not one of the dollars should be used for anything that will cost one dollar next year. That would leave the future legislators and future governors with a big problem.

After carefully reviewing the state's needs, I suggest the following way of spending the \$74 million surplus:

First, there are supplemental appropriations for this current year totalling \$30,070,600.

\$12 million of this goes for the Career Teacher Program. This extra money is needed mainly because the program is even more popular among Tennessee teachers than we thought it would be. 95 percent of the eligible teachers signed up in the first year to take one of the several examinations for Career Level I.

While we had budgeted for this over the entire Three-Year Budget, we frankly did not expect this response in the first year. So we are adding about \$6 million one time to this year's budget.

The remainder of that \$12 million is for the Career Ladder fast track. This also comes because of the large number of teachers who have said they want to move to the more difficult, higher rungs of the Career Ladder. More than 8,000 teachers and administrators have applied for Career Levels II and III. The extra money will let us be able -- as rapidly as possible -- to evaluate all of these teachers who want to participate in the program.

As a matter of fairness to teachers, 50 more evaluators are requested for next fiscal year so that we can evaluate these 8,000 teachers and administrators who have already applied.

Here is a question you will be asked: when do the Career Level II and III teachers get paid their extra incentive money? It does get confusing. All of them signed up this year, but some of them will be evaluated this year and some next year.

We believe that all those who have already applied for Career Levels II and III ought to get paid at the same time. Therefore, the budget includes enough money to pay for all of the Career Level II and III teachers in the next fiscal year. None, of course, could have been paid in the current year because the evaluations will not be finished until this summer.

There is also a supplemental appropriation of nearly \$11 million for equipment and other one-time needs for state government agencies. \$3 million goes to make much needed improvements in our state parks and our forestry program.

There is an increase of \$7 million for the State Board of Equalization's loan fund. This is important because Shelby and Hamilton counties will begin a reappraisal of real property in 1985 and 1986 and funds will be needed for that important work.

Secondly, apart from the supplemental appropriations, I'm also recommending eight other specific one-time appropriations from the surplus for 1985-86. These will total \$44,450,000.

There is \$10 million to double the endowment for the Chairs of Excellence at our state universities. This was recommended by the Tennessee Higher Education Commission. The program was initiated by the Legislature last year. Together with the Centers of Excellence, it is doing a remarkable job of helping each campus focus on those special things that it does best.

There is \$6 million for equipment for higher education.

There is another \$1 million for post-secondary job skills training, again mostly for the area vocational schools.

I have recommended full funding of our Student Assistance Corporation programs, and there is a new \$450,000 endowment for honors scholarships to help attract the brightest Tennessee young men and women to our state universities.

There is \$3 million to establish the Tennessee Heritage of Music, to celebrate our musical heritage and do a better job of taking it to our schools.

There is \$10 million for the local bridge program administered by the Department of Transportation. This program has been a big help to local governments.

There is \$2 million for Tennessee Homecoming '86 for a variety of programs ranging from Homecoming in the schools, to beefing up the Library and Archives and various heritage projects. Most members of the Legislature know about Homecoming '86, and many of you are already involved in it in your home communities. And there is \$12 million to assist in the building of the Citizens Plaza Building.

SIX: THE BUDGET INCLUDES \$100 MILLION FOR CAPITAL OUTLAY.

Of this figure, \$70.6 million will be paid for with cash. This is a vitally important part of the Three-Year Budget strategy.

That means that \$58 million of the \$70 million will be available for the 1986-87 budget to complete the funding for the Better Schools Program, the Clean Water Program, and other initiatives that you began last year. To spend the money in some other way this next year would create a problem then.

The rest of the outlay money comes from \$24\$ million in bonds and \$5\$ million in federal funds.

The capital outlay money is spent in the following way:

About \$40 million goes for higher education. As usual, I have tried hard to follow the recommendations of THEC. This budget funds every single THEC request for capital outlay and maintenance.

There is nearly \$28 million for the State Capitol complex and other state office space, all of which have been a part of discussions at the Building Commission.

There is about \$7 million for conservation including \$2 million for the acquisition of national and cultural heritage areas, again a part of the Three-Year Budget plan.

There is \$6 million for Corrections, nearly \$4 million for special schools and other facilities in the Department of Education, \$3.6 for Mental Health and Mental Retardation, and there is \$7 million for armories at Pulaski, Jacksboro, Lafayette, Sparta and McKenzie.

SEVEN: WE SHOULD CONTINUE TO REDUCE THE STATE'S DEBT, AND TO "PAY AS WE GO".

I remember a few years ago when Virginia became the last state to abandon a "pay as you go" policy. Since the days of Harry Byrd, Virginia had refused to borrow any money. Then, it got "modern", like the rest of government and most individuals, and decided that borrowing was the way to invest in the future.

You and I have been going the other way, and I think it is worth taking a minute to stop and reflect on that.

For the past six years Tennessee has been on a "pay as you go" basis.

The net effect of our budget policies has been: we have borrowed nothing.

In fact, we have done better than that: we have been reducing the state's debt by about \$50 million a year. All in all, over the last six years, you have cut the general obligation debt of state government by nearly \$200 million, or 23 percent.

Six years ago, the general obligation debt was \$851 million. After this legislative session, it should be about \$658 million.

The highway debt is a part of that, and it has been going in the same direction.

We should continue wiping out our debt.

It is a powerful statement about the attitudes and policies of Tennessee. And it makes very practical budget sense.

For example, this year's budget includes \$29 million to retire a debt we have incurred to build roads and bridges. If we had no debt, the \$29 million could be spent on new roads and bridges and maintenance. And \$29 million is nothing to sneeze at; it equals about a 1 1/3-cent increase in our gasoline tax statewide.

There is \$75 million in the General Fund budget to retire debts we have incurred to build capital projects. If we did not have to pay that bill, we could use the money to reduce taxes or to pay for needed programs in the future.

One way to keep tax rates reasonable and to do our state's future and our children a favor is to reduce our debt now. In today's economy, with inflation rates low, I can think of no reason in the world why Tennessee needs to be a net new borrower.

Incidentally, when was the last time you heard of anyone in Washington seriously considering -- or even thinking about -- reducing the federal debt?

Over the past six years, our state's general obligation debt has gone down per person from \$185 to \$139. We can be proud of that. At the same time, the federal government has doubled the amount of its debt for every man, woman and child -- from \$3,680 to more than \$7.800.

Over those six years, on the average, Washington has added to the gross national debt by \$168 billion every year. That kind of trend is outrageous and threatens our country.

It is really not up to us to try to make a Federal budget. We have our hands full here. But we ought to send our Senators and Congressmen of both parties this simple message: "If you have to make significant reductions in spending, we hope Tennessee is treated fairly in the process, but we support you. You will be doing exactly the right thing."

EIGHT: I WILL MAKE TAX REFORM PROPOSALS BY ABOUT MARCH 1.

Those of you on the legislative study committee on tax reform deserve a lot of credit. You have worked hard on some tough issues and have made some important recommendations. Representative Bragg deserves credit as chairman of that committee. We all hope that his health is such that he will be back with us before very long.

Representative Bragg suggested to me last summer that perhaps what was best, in this case, was to let the Legislature take the initiative for awhile with tax reform.

To tell you the truth, I was glad he did.

I was frankly worn out after the Better Schools fight; and, I figured, most of you were probably worn out with me.

Also, when you began your session two years ago, I had firmly in mind what I thought we ought to do about schools. It has not been as clear to me what we ought to do about tax reform.

Our Cabinet Council on Tax Reform has worked hard for six months. I'm coming to my own conclusions. And you can be sure that I'll jump right into the middle of the tax reform argument with my own set of recommendations, hopefully, about March 1.

Nothing about tax reform is going to be easy.

We all got a taste of that last year when you adopted the new amusement tax. That is the only real tax reform the Legislature has enacted in many, many years. We saw how hard it is to shift the tax burden to a new group of people. But the amusement tax was the easiest tax reform that we will ever have a chance to pass. If we can't extend the same tax to theatre tickets and country club fees that we put on the purchase of bread and milk, then we'll have a hard time doing anything. But it turned out to be one of the most difficult pieces of legislation we had to contend with all during the Better Schools discussion.

I am sending to you today revenue bills to fund this budget. They would keep the tax structure we have today. That does not mean that I can't agree to a different set of revenue proposals. In fact, I will recommend some. But, I'm sending up revenue measures now that will retain the present tax structure in case we simply cannot agree on a new structure.

The revenue bills I'm sending up would make permanent the sales tax increase that was approved last year and would keep the sales tax on food.

Let me say a word about that.

When the Legislature decided to exempt sales tax from food last year, I said it was unwise, but I did not attack it. It was the end of the session. And I thought I understood what the Legislature was saying. I believe you were saying that you understood that the sales tax was getting high and that you wanted to provoke a serious discussion of tax reform this year.

Well, you have done just that.

But no one should think that taking the sales tax off food by itself amounts to tax reform. Tax reform is taking one tax off and putting another tax on. Tax reform is making the tax system simpler and fairer. To my way of thinking, "tax reform" does not mean "tax increase". Nor should it do what I'm convinced a majority of the Legislature will not want to do: abandon the Better Schools Program, roll back teacher pay raises already granted, stop the Clean Water Program before it gets started, deprive poor children of a better chance to grow up healthy, and abruptly change the direction for our state's future that you have literally just spent years developing.

We do not need a tax increase to fund our programs, perhaps for five or six years. But we do not need a tax decrease if we want Tennessee to move ahead. Our state taxes are already among the lowest in America.

Taking the sales tax off food is only half a decision. The rest of the decision involves what to put in its place. When you voted to take the sales tax off food last year, I believe there was not a legislator in this chamber who did not know that this year something would have to be put in its place...unless you decide to repeal some of the programs you had just passed.

Taking the sales tax off food will cost a quarter of a billion dollars each year. By way of example, a quarter of a billion dollars equals the amount you will probably want to spend for all pay raises for teachers, state employees and university personnel for the next three years.

Representative Bragg's committee has made it pretty clear what the issues are.

First, the committee looked at ways to increase taxing options for local governments.

Second, they looked at rearranging business taxes.

Third, the committee members found that some people and businesses are getting a free ride, not paying their share, and suggested some ways to bring them into the tax structure by broadening the base of existing taxes.

And finally, the committee looked at personal taxes.

It is already becoming clear that, after all the discussion is finished, unless you decide to repeal the Three-Year Plan you just spent several years developing, the choice before you this year will be:

- 1) Keep the sales tax on food, at least in some modified way; or
 - 2) Enact a state income tax.

There are respected members of this General Assembly who strongly believe that a state income tax is a good idea. There are some who equally believe it's a bad idea.

That will be one of the choices I will address in $my\ recommendations\ to\ you\ next\ month.$

NINE: THIS IS THE YEAR TO MAKE A DECISION ABOUT A PERMANENT REVENUE BASE.

I simply want to underline the importance of making a decision this year. Clear the cloud away. Settle the issue.

I hope you will think several times before you put off until next year a difficult decision that should be made this year. Next year is an election year and the state will be busy choosing a new governor and a new Legislature.

TEN: WE WILL NEED ABOUT \$2.6 BILLION IN PERMANENT GENERAL FUND REVENUES TO BALANCE THE BUDGET.

I would like to end where I began.

Earlier I mentioned that there were two choices for paying the bill: keep the sales tax, at least in some modified form, or enact a state income tax.

Really, I suppose there is a third choice: you could decide not to balance the budget.

But those are the only three real choices: sales tax on food or income tax or an unbalanced budget.

I believe that after you have considered the budget carefully, that you will want to spend at least \$2.6 billion for the programs that you initiated last year to move the state ahead: for better schools, for clean water, for healthy children, for jobs development. And I believe you will want to make a decision now to establish a permenent base for those revenues.

It is almost presumptuous of me to suggest that this General Assembly would not balance the budget. You have always done just that. In my conversations on an individual basis this year with many of you, I have yet to find one who plans to do differently this year.

It is just as important to establish a permanent revenue base now.

A tax base that is not permanent is not good policy, it is not typical of this Legislature, and it is not fair to teachers who are working overtime to move up the Career Ladder, to mayors who are working up the courage to develop their share of the clean water funding, or to children who are hoping to benefit from the extra money

for textbooks, to adults who are planning to go to school at night to improve their job skills, computer skills and basic -- skills-- it is not fair to any of them to keep them wondering whether the commitment we made to them last year was real, or whether it will turn out to be only half a commitment because the money is not really there.

That is the budget for fiscal year 1985-86.

It is the second installment in a bold new course that will help make Tennessee an even better place to live.

We are ready to discuss it with you at your convenience and will work hard to carry out the policies you set and the funding decisions you eventually make.

Thank you.

Mr. President Wilder relinquished the Chair to Mr. Speaker McWherter as President of the Joint Convention.

 $\mbox{Mr.}$ President McWherter expressed appreciation to Governor Alexander.

Thereupon, the purpose for which the Joint Convention was called having been accomplished, Mr. President McWherter declared the Joint Convention dissolved.

The Senate repaired to the Senate Chamber.

The House was called to order by Mr. Speaker McWherter.

On motion, the roll call was dispensed with.

Thereupon, pursuant to Mr. Naifeh's earlier motion, Mr. Speaker McWherter declared the House adjourned until 4:30 p.m. on Monday, February 4, 1985.